

**Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
Agenda Item 9.b**

Applicant: Town of Norwood

Amount Requested: \$58,458

Water Activity Name: Raw Water System Update and Future Needs Study

Source of Funds: Southwest Basin Account

Matching Funds: \$7,000

Water Activity Purpose: Study or analysis of a consumptive activity and structural activity

County: San Miguel County

Drainage Basin: San Miguel River

Water Source: Gurley Canyon Drainage

Staff Recommendation
Staff recommends approval of up to \$58, 458 from the Southwest Basin Account to help fund the Town of Norwood’s raw water system update and future needs study contingent on resolution of the item in the issues/additional needs section.

Water Activity Summary:

The Town of Norwood Water Commission (NWC) is the sole supplier of potable water for the area, serving both the Town and all of the surrounding rural area. The existing water system serves approximately 800 households and businesses – about half of which are in the Town of Norwood and the other half in the rural areas made up mostly of agricultural fields and ranches. The Town of Norwood Water Commission maintains 85 miles of distribution lines and operates on a very limited budget funded entirely by user fees.

The Town obtains its water supply through a system of open ditches, springs and storage reservoirs. Ongoing problems with water quality over the past several decades, including an incident of E. coli bacteria and resulting boil water orders, as well as problems with disinfectant residuals, have persisted to current times. Norwood is working on obtaining funding to upgrade the existing water system, an approximately \$7.5 million dollar project. The Town also adopted a Source Water Protection Ordinance (“Ordinance”) in November 2008, which went into effect in December 2008, after a long public process, in order to address some of these issues. Currently, the lack of a good quality, adequate water supply stifles the area’s economic growth potential. However, the town is diligently working in order to make the needed upgrades and work toward achieving its goals of making the community water safe and allowing for economic growth of the area, while achieving and maintaining compliance with the Safe Drinking Water Act (SDWA) passed by Congress in 1974. The NWC has tried through the years to meet the requirements of the SDWA through filtration and disinfection, but it is becoming more and more difficult to meet the requirements, especially for small, financially-limited systems such as Norwood’s, as the Federal regulations continue to lower the acceptable limits of contaminants. There are ongoing problems both at the water treatment plant and throughout the distribution system. In addition to water quality issues, the NWC has a legal obligation to serve future growth in a large area. This raises the questions of how much Norwood’s water rights and ditch shares yield, particularly in a sustained drought, and how to address the water needs of future growth.

Since the last update to the Raw Water System Report, four important changes have occurred to the raw water supplies that require an update to the Raw Water Master Plan: 1) the 2002-2003 drought, 2) the contractual change with the Farmers Water and Development Company (FWDC) for the primary water supply for the water system, and 3) updates in population and full-build out growth estimates and 4) adoption of watershed ordinance.

The proposed water activity will update the Raw Water Master Plan to:

- 1) Incorporate the effects of the 2002 and 2003 drought in calculating firm water supply yield of the raw water system.
- 2) Incorporate the provisions of a new contract with the FWDC for Gurley Reservoir water into the firm water supply yield analysis.
- 3) Provide updated estimates of current and future water demands based on newly developed population growth projections and full build-out scenarios.
- 4) Provide recommendations to protect and enhance the Town's water supplies and reduce demands through increases in system efficiencies, conservation, and potential development of urban non potable irrigation system. If needed, provide recommendation on procuring additional water supplies including storage.
- 5) Baseline hydrologic data for implementation of watershed ordinance.

Threshold and Evaluation Criteria

The application adequately describes how the project meets the Threshold Criteria.

Discussion:

The Town of Norwood has demonstrated a high degree of commitment of providing high quality of water to its customers. While this is not a statewide account request and no matching funds are required, the Norwood Water Commission is currently undertaking a large project to rehabilitate a 500,000 gallon storage tank, installation of transmission lines and chlorination system funded primarily through user fees. The Town appears committed to ensure the adequacy of its system for existing customers as well as its ability to provide supplies to meet its projected growth. This basin account request appears to be a good use of limited resources to prepare a community to meet its future municipal and industrial water demands.

Issues/Additional Needs:

The application was well prepared. Please submit a revised/updated project schedule.

Staff Recommendation:

The application is well prepared and the proposed project appears to further the Southwest basin's consumptive needs. Staff recommends approval of up to \$58,458 from the Southwest basin account to help fund the Town of Norwood's raw water system update and future needs study project contingent on resolution of the item in the issues/additional needs section.

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform. In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

Reporting and Final Deliverable: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues. At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.